



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-879]

Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of certain corrosion-resistant steel products from the Republic of Korea. The period of review (POR) is January 1, 2018, through December 31, 2018. Commerce is also rescinding the review with respect to certain companies.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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SUPPLEMENTARY INFORMATION

Background

Commerce published the *Preliminary Results* of this review on November 23, 2020.¹ In addition, Commerce issued a post-preliminary determination on the electricity for less than adequate remuneration allegation on April 26, 2021.² For a description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.³

¹ See *Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 2018*, 85 FR 74692 (November 23, 2020) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, “Countervailing Duty Administrative Review of Certain Corrosion-Resistant Steel Products from the Republic of Korea: Post-Preliminary Analysis Memorandum of Electricity for Less than Adequate Remuneration,” dated April 26, 2021.

³ See Memorandum, “Issues and Decision Memorandum for the Final Results of the 2018 Administrative Review of

On May 14, 2021, Commerce extended the deadline for the final results of this administrative review until May 24, 2021.⁴

Scope of the Order

The products covered by this order are certain corrosion-resistant steel products. For a complete description of the scope of this order, *see* the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in interested parties' case briefs are addressed in the Issues and Decision Memorandum accompanying this notice. A list of the issues raised by parties, and to which Commerce responded in the Issues and Decision Memorandum, is provided in Appendix I to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Changes Since the Preliminary Results

Based on the comments received and record evidence, we made certain changes to the *Preliminary Results* with respect to the net subsidy calculated for Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd. (Dongbu), and for companies not selected for individual review. These changes are explained in the Issues and Decision Memorandum.

Partial Rescission of Review

We received no comments regarding the no shipments claims with respect to Nippon Steel Sales Vietnam Co., Ltd. (NSSVC), Hoa Sen Group (HSG), and Ton Dong A Corporation (TDA) since the *Preliminary Results*. Further, we have analyzed the questionnaire responses

the Countervailing Duty Order on Certain Corrosion-Resistant Steel Products from the Republic of Korea," (Issues and Decision Memorandum, or IDM), dated concurrently with, and hereby adopted by, this notice.

⁴ See Memorandum, "Certain Corrosion-Resistant Steel Products from the Republic of Korea: Extension of Deadline for Final Results of Countervailing Duty Administrative Review," dated May 14, 2021.

submitted by the respondents to Commerce since the *Preliminary Results* and determined that the record contains no information that calls into question a finding of no shipments. Therefore, we are rescinding this review with respect to NSSVC, HSG, and TDA.

Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Dongbu and Hyundai Steel Company (Hyundai Steel) are above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on the weighted-average of the subsidy rates calculated for Dongbu and Hyundai Steel using publicly ranged sales data submitted by the respondents.⁵ This is consistent with the methodology that we would use in an investigation to establish the all-others rate, pursuant to section 705(c)(5)(A) of the Tariff Act of 1930, as amended (the Act).

Final Results of Administrative Review

We determine that, for the period January 1, 2018 through December 31, 2018, the following total estimated net countervailable subsidy rates exist:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.	6.83
Hyundai Steel Company	0.51
Non-Selected Companies Under Review ⁶	3.11

Assessment Rate

Pursuant to 19 CFR 351.212(b)(2), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject

⁵ With two respondents under review, Commerce normally calculates: (A) A weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly ranged U.S. sales values for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters.

⁶ See Appendix II.

merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed. Consistent with its recent notice,⁷ Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. Further, for companies for which the review has been rescinded, we intend to instruct CBP to liquidate such entries at the cash deposit rate required at the time of entry. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Rates

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposits, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Disclosure

⁷ See *Notice of Discontinuation of Policy to Issue Liquidation Instructions After 15 Days in Applicable Antidumping and Countervailing Duty Administrative Proceedings*, 86 FR 3995 (January 15, 2021).

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

Dated: May 24, 2021.

Christian Marsh,
Acting Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. List of Issues
- III. Background
- IV. Changes Since the Preliminary Results
- V. Scope of the Order
- VI. Period of Review
- VII. Rescission of Administrative Review, in Part
- VIII. Subsidies Valuation Information
- IX. Analysis of Programs
- X. Discussion of Comments
 - Comment 1: Whether Electricity for LTAR Confers a Benefit
 - Comment 2: Whether Commerce's Determination that Port Usage Rights Provides a Countervailable Benefit is Unsupported by Evidence and Contrary to Law
 - Comment 3: Whether Commerce Incorrectly Countervailed the Reduction for Sewerage Usage Fees
 - Comment 4: Whether the Restructuring of Dongbu's Existing Loans by GOK-Controlled Banks Provided a Financial Contribution to Dongbu
 - Comment 5: Whether the Restructured Loans Provided to Dongbu were Specific
 - Comment 6: Whether Commerce Should Use the Interest Rates from Loans Provided by Commercial Banks Participating in the Creditor Bank Committee as Benchmarks
 - Comment 7: Whether Dongbu Is Equityworthy and the Debt-to-Equity Swaps Should be Countervailed
 - Comment 8: Whether Commerce Correctly Calculated the Benefit to Dongbu from KDB Short-Term Discounted Loans for Export Receivables Program
 - Comment 9: Whether Commerce Correctly Calculated the Benefit from Dongbu Steel's Short-Term KRW Loans During the POR
- XI. Recommendation

Appendix II

List of Non-Selected Companies

1. AJU Steel Co., Ltd.
2. Anjeon Tech
3. Benison Korea Transport
4. Core International
5. CS Global Logistics
6. Dai Yang Metal Co., Ltd.
7. GS Global Corp.
8. Hanwa (Korea) Co., Ltd.
9. Hebei Hongxing Auto Made
10. Integris
11. Jeongwha Polytech
12. Joo Sung Sea And AirCo., Ltd.
13. KC Tech
14. Kima Steel Corporation
15. Korea Clad Tech
16. Kyoungdo Steel Co., Ltd.
17. Market Connect Sales Services
18. Milestone Korea Co., Ltd.
19. POSCO
20. POSCO Coated & Color Steel Co., Ltd.
21. POSCO Daewoo Corporation
22. POSCO International Corporation
23. Qingdao Wangbaoqiang
24. Roser Co., Ltd.
25. Samsung C&T Corporation
26. Sanglim Steel
27. SeAH Steel
28. Sejung Shipping Co., Ltd.
29. Seun Steel
30. Shandongsheng Cao Xian Yalu Mftd.
31. Sung A Steel
32. TCC Steel Co., Ltd.
33. Young Heung Iron and Steel Co., Ltd.
34. Young Steel Korea Co., Ltd.
35. Young Sun Steel Co.

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